

### Auditor's Review Report

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have reviewed the consolidated balance sheet of Bangkok Dusit Medical Services Public Company Limited and subsidiary as at September 30, 2002, and the related consolidated statements of income for each of the three-month and nine-month periods ended September 30, 2002 and 2001, and the consolidated statements of changes in shareholders' equity, and cash flows for each of the nine-month periods ended September 30, 2002 and 2001, and the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same periods. The Company's management are responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my review.

Except as discussed in the following paragraph, I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion.

As described in Note 5 to the financial statements, as at September 30, 2002 and 2001, investments in associated companies in the amount of Baht 1,044.63 million and Baht 486.29 million, respectively, were recorded by equity method which were calculated from the unaudited or unreviewed financial statements of those companies, which shows the share of net gain in the amount of Baht 22.23 million and Baht 18.28 million in the consolidated statement of income and the separate statement of income of the Company for each of the nine-month period ended September 30, 2002 and 2001, respectively.

As described in Note 2 to the financial statements, as at September 30, 2002 and 2001, the Company has outstanding loans to related companies including interest receivable with uncertainty in repayment in the amount of Baht 196.29 million and Baht 186.01 million, respectively. As at September 30, 2002, the Company provides allowance for doubtful accounts in the amount of Baht 9.58 million, which may not be sufficient due to the fact that the Company is under debt restructuring process with these companies. Therefore, the effects on the financial statements of the allowance for doubtful accounts are based on the result of such debt restructuring.

Based on my review, except for the effects on the financial statements from the matter as described in the third and the fourth paragraphs, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

I have audited the consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and subsidiary as at December 31, 2001, and the separate financial statements of the Company for the same period in accordance with generally accepted auditing standards and my report dated February 8, 2002, expressed a qualified opinion on those statements, on the matter that the Company has recorded its investments in associated companies by the equity method which were calculated from the unaudited or unreviewed financial statements of those companies, and on the matter of sufficiency of allowance for doubtful accounts. The accompanying consolidated balance sheet and the separate balance sheet of the Company as at December 31, 2001, which have been presented for comparatives, are parts of the financial statements on which I have audited and reported. I have not conducted any audits on the financial information of the Company and its subsidiary subsequent to the date of my report.

Nirand Lilamethwat  
Certified Public Accountant  
Registration Number 2316

KPMG Audit (Thailand) Limited  
Bangkok, November 5, 2002

FINANCIAL STATEMENTS AND AUDITOR'S REVIEW REPORT  
BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
THIRD QUARTER ENDED SEPTEMBER 30, 2002

## BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## BALANCE SHEETS

(Amounts in Thousand Baht)

	Consolidated		The Company Only	
	September 30,	December 31,	September 30,	December 31,
	2002	2001	2002	2001
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	556,294	106,637	514,720	77,262
Current investments	10,278	10,241	4,822	4,786
Trade accounts receivable - net (Notes 2 and 4)	93,322	62,014	83,589	54,894
Inventories	29,244	29,069	25,126	27,427
Other current assets				
Accounts receivable from sale of investments (Note 2)	-	84,483	-	84,483
Accrued interest income (Note 2)	218,434	186,422	218,386	186,411
Accrued income from forward contracts (Note 8)	-	3,083	-	3,083
Others - net	35,207	24,327	51,251	24,157
Total Other Current Assets	253,641	298,315	269,637	298,134
Total Current Assets	942,779	506,276	897,894	462,503
NON-CURRENT ASSETS				
Investments in common shares (Notes 2 and 5)				
Subsidiary and associated companies - equity method	1,327,722	724,627	1,459,884	851,456
Related companies	62,792	67,650	62,792	67,650
Other companies	6,376	5,354	6,376	5,354
Advance payment for investment in shares (Note 2)	-	200,000	-	200,000
Receivables from and loans to related companies - net (Note 2)	1,007,515	1,155,823	1,008,716	1,157,024
Property, plant and equipment - net (Note 6)	2,030,832	1,933,324	1,867,925	1,791,642
Land not used in operations	243,900	243,900	243,900	243,900
Other non-current assets - net (Note 2)	19,479	25,358	17,401	22,635
Total Non-current Assets	4,698,616	4,356,036	4,666,994	4,339,661
Total Assets				
	5,641,395	4,862,312	5,564,888	4,802,164

See notes to financial statements

## BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## BALANCE SHEETS

(Amounts in Thousand Baht)

	Consolidated		The Company Only	
	September 30,	December 31,	September 30,	December 31,
	2002	2001	2002	2001
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade accounts payable (Note 2)	178,265	128,805	163,858	123,450
Current portion of long-term debts (Note 7)	93,445	57,488	93,445	57,488
Short-term loans from related parties (Note 2 )	21,635	20,141	-	-
Other current liabilities				
Share subscription payable (Note 2)	-	-	-	2,500
Accrued income tax	19,984	-	18,032	-
Accrued expenses	105,363	84,413	99,259	77,903
Others	34,189	48,857	33,543	48,357
Total Other Current Liabilities	159,536	133,270	150,834	128,760
Total Current Liabilities	452,881	339,704	408,137	309,698
NON-CURRENT LIABILITIES				
Other long-term debts - net (Note 7)	2,050,801	2,080,739	2,050,801	2,080,739
Deferred income	59,889	12,333	59,889	12,333
Other non-current liabilities	3,043	4,919	2,973	4,900
Total Non-current Liabilities	2,113,733	2,097,991	2,113,663	2,097,972
Total Liabilities	2,566,614	2,437,695	2,521,800	2,407,670
SHAREHOLDERS' EQUITY				
Share capital (Note 10)				
Authorized 75,000,000 ordinary shares in 2002				
and 50,000,000 ordinary shares in 2001 , Baht 10 par value	750,000	500,000	750,000	500,000
Issued 75,000,000 ordinary shares in 2002				
and 50,000,000 ordinary shares in 2001 , fully paid	750,000	500,000	750,000	500,000
Premium on share capital	1,567,600	1,217,600	1,567,600	1,217,600
Other surpluses	437,387	437,387	437,387	437,387
Other deficits	(954)	(1,446)	(954)	(1,446)
Retained earnings				
Appropriated to legal reserve	46,125	35,625	46,125	35,625
Unappropriated	242,930	205,328	242,930	205,328
Total Equity of Parent Company's Shareholders	3,043,088	2,394,494	3,043,088	2,394,494
Minority interests	31,693	30,123	-	-
Total Shareholders' Equity	3,074,781	2,424,617	3,043,088	2,394,494
Total Liabilities and Shareholders' Equity	5,641,395	4,862,312	5,564,888	4,802,164

See notes to financial statements

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht

Except Basic Earnings per Share)

	Consolidated		The Company Only	
	2002	2001	2002	2001
REVENUES (Note 2)				
Patient services	644,241	511,433	594,609	483,299
Other income				
Gain (loss) on exchange rate - net	(6,054)	3,144	(6,054)	3,144
Interest income	19,797	29,487	19,773	29,481
Others (Note 11)	16,229	14,377	21,312	14,374
Total Other Income	29,972	47,008	35,031	46,999
Share of gain from investments for using the equity method	3,572	11,290	1,970	9,934
Total Revenues	677,785	569,731	631,610	540,232
EXPENSES (Note 2)				
Nursing and other operating services	401,818	314,161	364,275	294,427
Administration expenses	157,988	155,905	150,166	146,537
Directors' remuneration	4,690	4,528	4,507	4,349
Other expenses				
Loss on impairment of asset	-	2,293	-	2,293
Gain on forward exchange contracts - net (Note 8)	-	(93)	-	(93)
Total Other Expenses	-	2,200	-	2,200
Total Expenses	564,496	476,794	518,948	447,513
Net income before interest and income tax expenses	113,289	92,937	112,662	92,719
Interest expense	(28,895)	(42,895)	(28,507)	(42,507)
Income tax expense	(18,402)	(17,762)	(18,604)	(17,762)
Income after tax	65,992	32,280	65,551	32,450
Net loss (profit) of minority interests	(441)	170	-	-
Net income	65,551	32,450	65,551	32,450
Basic earnings per share (Baht)	0.87	0.91	0.87	0.91
Weighted-average number of ordinary shares (share)	75,000,000	35,625,000	75,000,000	35,625,000

See notes to financial statements

## BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht

Except Basic Earnings per Share)

	Consolidated		The Company Only	
	2002	2001	2002	2001
REVENUES (Note 2)				
Patient services	1,734,117	1,433,171	1,600,034	1,349,710
Other income				
Gain (loss) on exchange rate - net	3,236	(19,802)	3,236	(19,802)
Interest income	60,180	78,649	60,075	78,635
Gain on redemption of long-term debts (Note 7)	-	173,886	-	173,886
Gain on adjustment of accrued debenture interests	17,689	-	17,689	-
Others (Note 11)	51,836	37,245	56,721	36,923
Total Other Income	132,941	269,978	137,721	269,642
Share of gain from investments for using the equity method	10,970	18,281	18,378	19,089
Total Revenues	1,878,028	1,721,430	1,756,133	1,638,441
EXPENSES (Note 2)				
Nursing and other operating services	1,079,441	855,033	995,377	799,750
Administration expenses	468,614	436,133	440,139	410,552
Directors' remuneration	13,812	13,190	13,263	12,638
Other expenses				
Loss on debt restructuring (Note 2)	-	26,118	-	26,118
Loss on impairment of asset	15,307	12,933	14,594	12,933
Loss (gain) on forward exchange contracts - net (Note 8)	5,649	(15,662)	5,649	(15,662)
Total Other Expenses	20,956	23,389	20,243	23,389
Total Expenses	1,582,823	1,327,745	1,469,022	1,246,329
Net income before interest and income tax expenses	295,205	393,685	287,111	392,112
Interest expense	(93,704)	(122,393)	(92,542)	(121,225)
Income tax expense	(51,276)	(65,480)	(46,467)	(65,480)
Income after tax	150,225	205,812	148,102	205,407
Net profit of minority interests	(2,123)	(405)	-	-
Net income	148,102	205,407	148,102	205,407
Basic earnings per share (Baht)	2.47	5.77	2.47	5.77
Weighted-average number of ordinary shares (share)	59,981,685	35,625,000	59,981,685	35,625,000

See notes to financial statements

## BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht)

	Consolidated		The Company Only	
	2002	2001	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	148,102	205,407	148,102	205,407
Reconciliation of net income to net cash provided				
by (used in) operating activities:				
Depreciation and amortization	113,920	97,392	103,935	90,548
Bad debt and doubtful accounts	-	12,288	-	11,931
Deferred incomes amortization	(2,444)	(345)	(2,444)	(345)
Share of gain from investments for using the equity method	(10,970)	(18,281)	(18,378)	(19,089)
Loss on impairment of asset	15,306	12,933	14,594	12,933
Loss on debts restructuring	-	26,118	-	26,118
Loss on sale of investment in related company	-	4,168	-	4,168
Gain on redemption of long-term debts	-	(173,886)	-	(173,886)
Gain on adjustment of accrued debenture interests	(17,689)	-	(17,689)	-
Loss (gain) on disposal of fixed assets	724	(214)	794	(214)
Unrealized loss on forward exchange contracts	3,083	21,484	3,083	21,484
Dividend payable-written off	8,457	-	8,457	-
Unrealized loss (gain) on foreign exchange rate - net	(2,930)	4,069	(2,930)	4,069
Gain from operating activities before change in operating				
assets and liabilities	255,559	191,133	237,524	183,124
<b>CHANGE IN OPERATING ASSETS AND LIABILITIES</b>				
Increase in trade accounts receivable	(31,308)	(39,794)	(28,695)	(41,148)
Decrease (increase) in inventories	(175)	6,886	2,301	6,432
Increase in accrued interest income	(34,303)	(51,867)	(34,266)	(51,851)
Decrease (increase) in other current assets	(6,751)	1,387	(22,965)	1,418
Increase in other non-current assets	(1,741)	(10,970)	(1,672)	(10,001)
Increase in trade accounts payable	49,460	6,050	40,408	6,174
Increase in accrued expense	38,660	27,237	39,067	26,864
Increase in accrued income tax	19,984	14,964	18,032	14,964
Decrease in other current liabilities	(23,125)	(1,695)	(23,271)	(1,585)
Increase in deferred income	50,000	11,684	50,000	11,684
Decrease in other non-current liabilities	(1,876)	(23)	(1,927)	(23)
Net cash from operating activities	314,384	154,992	274,536	146,052

See notes to financial statements



## BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht)

	Consolidated		The Company Only	
	2002	2001	2002	2001
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term investments	-37	-270	(36)	-269
Cash received from dividend	19,737	15,807	21,811	15,807
Receipt from sale of investments	84,483	119,202	84,483	119,202
Payment for purchase of investments	-412,342	-200,000	(414,842)	-212,500
Sale of fixed assets	11,523	216	11,453	216
Purchase of fixed assets	-199,556	-156,931	(168,346)	-155,431
Decrease (increase) in loans to related companies	150,599	-356,098	150,599	-350,667
Increase in minority interests	1,571	405	-	-
Net cash from investing activities	-344,022	-577,669	-314,878	-583,642
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in bank overdrafts and short-term loans				
from financial institutions	-	-130,202	-	-130,202
Cash received from increase of share capital	600,000	-	600,000	-
Increase in payable to related company	1,495	74	-	-
Increase in long-term loans from bank	20,000	1,595,000	20,000	1,595,000
Repayment of other long-term loans	-23,998	-1,124,344	-23,998	-1,124,344
Payment of liabilities under the financial lease contracts	-18,202	-11,487	-18,202	-11,487
Dividend paid	-100,000	-31,489	-100,000	-31,489
Net cash from financing activities	479,295	297,552	477,800	297,478
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	449,657	-125,125	437,458	-140,112
<b>CASH AND CASH EQUIVALENTS</b>				
BEGINNING OF PERIOD	106,637	256,553	77,262	242,545
END OF PERIOD	556,294	131,428	514,720	102,433
<b>ADDITIONAL CASH FLOWS INFORMATION</b>				
Cash paid during period				
Interest expense	91,615	176,502	90,452	175,327
Income tax	49,828	46,284	47,760	46,284

See notes to financial statements

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht)

	Issued and paid-up share capital	Premium on share capital	Other surplus	Retained earnings	Minority interests	Total
Balance at January 1, 2002	500,000	1,217,600	435,941	240,953	30,123	2,424,617
Other surpluses	-	-	492	-	-	492
Net income	-	-	-	148,102	-	148,102
Payment of dividend	-	-	-	-100,000	-	-100,000
Ordinary shares	250,000	-	-	-	-	250,000
Premium on share capital	-	350,000	-	-	-	350,000
Minority interests	-	-	-	-	1,570	1,570
Balance at September 30, 2002	750,000	1,567,600	436,433	289,055	31,693	3,074,781
Balance at January 1, 2001	356,250	1,073,850	435,810	69,524	28,930	1,964,364
Other surpluses	-	-	47	-	-	47
Net income	-	-	-	205,407	-	205,407
Payment of dividend	-	-	-	-35,625	-	-35,625
Minority interests	-	-	-	-	405	405
Balance at September 30, 2001	356,250	1,073,850	435,857	239,306	29,335	2,134,598

See notes to financial statements

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

THE COMPANY'S SEPARATE FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)

(Amounts in Thousand Baht)

	Issued and paid-up share capital	Premium on share capital	Other surplus	Retained earnings	Total
Balance at January 1, 2002	500,000	1,217,600	435,941	240,953	2,394,494
Other surpluses	-	-	492	-	492
Net income	-	-	-	148,102	148,102
Payment of dividend	-	-	-	-100,000	-100,000
Ordinary shares	250,000	-	-	-	250,000
Premium on share capital	-	350,000	-	-	350,000
Balance at September 30, 2002	<u>750,000</u>	<u>1,567,600</u>	<u>436,433</u>	<u>289,055</u>	<u>3,043,088</u>
Balance at January 1, 2001	356,250	1,073,850	435,810	69,524	1,935,434
Other surpluses	-	-	47	-	47
Net income	-	-	-	205,407	205,407
Payment of dividend	-	-	-	-35,625	-35,625
Balance at September 30, 2001	<u>356,250</u>	<u>1,073,850</u>	<u>435,857</u>	<u>239,306</u>	<u>2,105,263</u>

See notes to financial statements

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2002 AND 2001 (UNAUDITED)  
AND FOR THE YEAR ENDED DECEMBER 31, 2001 (AUDITED)

NOTE 1 - ECONOMIC ENVIRONMENT AND BASIS OF FINANCIAL STATEMENT PRESENTATION

The operations of Bangkok Dusit Medical Services Public Company Limited and subsidiaries may continue to be influenced for the foreseeable future by the economic conditions in Thailand and the Asia Pacific Region in general. The financial statements of the Company and subsidiaries reflect the management's current assessment of the impact of current economic conditions on the financial position of the Company and subsidiaries. However, actual results could differ from the management estimates.

The Company's financial statements have been presented in accordance with the Notification of Department of Commercial Registration dated 14 September 2001, issued under the Accounting Act B.E. 2543 (2000), and in conformity with generally accepted accounting principles in Thailand.

The accompanying interim financial statements have been prepared in accordance with the Thai Accounting Standard No.41 - Interim Financial Statements. Accordingly, condensed financial statements have been prepared while presentation in the balance sheets and the related statements of income, shareholders' equity and cash flows have been extended and included additional information disclosure in accordance with the additional requirements of the Securities Exchange Commission and the Stock Exchange of Thailand.

The accompanying interim financial statements have been prepared purportedly to provide financial information in addition to those provided in the financial statements for the year ended December 31, 2001. Accordingly, current information relative to new accounting policies, business activities and circumstances as well as significant changes of financial information have been emphasized and the financial statements for the year ended December 31, 2001 should therefore be read in conjunction with these interim financial statements.

As required by Thai law and regulatory requirements, the Company's financial statements have been prepared in the Thai language. They have been translated into English for the convenience of the reader.

The Company's financial statements for the year ended December 31, 2001 and for the three-month and nine-month period ended September 30, 2001 were reclassified to conform with the three-month and nine-month period ended September 30, 2002 presentation.

The consolidated financial statements for the three-month and nine-month periods ended September 30, 2002 and 2001 and for the year ended December 31, 2001 consisted of the financial statements of Bangkok Dusit Medical Services Public Company Limited, which is a parent company and subsidiaries are as follows:

	<u>Percentage of holding</u>		
	<u>September 30,</u>	<u>December 31,</u>	
	<u>2002</u>	<u>2001</u>	<u>2001</u>
Bangkok Prapradang Hospital Co., Ltd.	79%	79%	79%
National Healthcare Systems Co., Ltd.	100%	100%	100%
Bio Molecular Laboratories (Thailand) Co., Ltd.	100%	-	100%

The significant intercompany transactions with the subsidiaries have already been eliminated from the consolidated financial statements.

## NOTE 2 - GENERAL INFORMATION AND TRANSACTIONS WITH PERSON AND RELATED COMPANIES

Bangkok Dusit Medical Services Public Company Limited has been incorporated and domiciled in Thailand. The Company is engaged in the hospital and the number of hospitals in Bangkok General Hospital Group was 8. The address of the Company's registered office is 2 Soi Soonvijai 7, New Petchburi Road, Bangkok.

Part of the Company's accounting transactions resulted from transactions with person and related companies. These companies are related through common shareholdings and/or directorships. The financial statements reflect the effects of these transactions on the basis determined by the companies concerned.

The Company's significant accounting transactions with person and related companies as at September 30, 2002 and December 31, 2001 consisted of:

	(Amounts in Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Trade accounts receivable	13,912	2,918	12,272	2,862
Accounts receivable from sale of investment	-	84,483	-	84,483
Other receivable	6,921	6,629	6,906	6,615
Interest receivable	217,811	185,175	217,811	185,175
Advance payment for investment in shares	-	200,000	-	200,000
Consulting and management fee receivable	930	7,047	930	7,047
Accrued rental income-equipment	-	-	600	-
Advance receivable	844	842	20,354	927
Loans receivable	1,007,515	1,155,823	1,008,716	1,157,024
Trade accounts payable	4,186	1,652	11,904	954
Accrued expense	880	-	808	-
Share subscription payable	-	-	-	2,500
Accounts payable and loans	21,635	20,141	-	-
Interest payable	129	130	-	-

The Company's significant accounting transactions with its related companies for the three-month and nine-month periods ended September 30, 2002 and 2001 consisted of:

(Amounts in Thousand Baht)

	Three months periods			
	Consolidated		The Company Only	
	September 30,		September 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(Unaudited)		(Unaudited)	
Patient services income and lab service	17,431	1,406	3,011	1,429
Interest income	18,573	28,090	18,573	28,090
Other income	15,586	2,888	20,761	3,034
Interest expense	388	388	-	-
Consulting and management fee	315	-	315	-
Dividend paid	-	5,389	-	5,389
Other expense	1,214	16	16,492	-
Sale of fixed assets	202	-	202	-

(Amounts in Thousand Baht)

	Nine months periods			
	Consolidated		The Company Only	
	September 30,		September 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(Unaudited)		(Unaudited)	
Patient services income and lab service	37,779	3,403	9,840	3,765
Interest income	56,569	75,306	56,569	75,349
Other income	24,200	5,747	29,831	5,936
Gain on forward exchange contracts	-	25,092	-	25,092
Gain on redemption from debentures	-	4,654	-	4,654
Loss on sale of investments	-	4,168	-	4,168
Loss on debts restructuring	-	26,118	-	26,118
Interest expense	1,162	3,030	-	1,862
Consulting and management fee	773	-	773	-
Dividend paid	14,261	5,389	14,261	5,389
Other expense	4,281	16	33,661	-
Sale of fixed assets	202	-	202	-

#### Trading transaction

The Company's policy for pricing trade transactions with related companies is based on normal course of business.

#### Sale of investments

On December 25, 2001, the Company sold investments in common shares of Bangkok Hat Yai Hospital Co., Ltd. to Bangkok Pattaya Hospital Co., Ltd. totaling 14,900,000 shares at Baht 5.67 each. As a result, the Company recorded gain on sale of investments in the amount of Baht 0.96 million in the statement of income for the year 2001. An investment in common shares of Bangkok Hat Yai Hospital, Co., Ltd was stated at equity method up to the date of selling investment.

On June 26, 2001, the Company sold investments in common shares as follows:

1. Sale of investments in common shares of Bangkok Hat Yai Hospital Co., Ltd to Wattanawej Co., Ltd totaling 9,600,000 shares at Baht 6.20 each. As a result of, the Company recorded loss on sale of investments in the amount of Baht 0.03 million in the statement of income. An investment in common shares of Bangkok Hat Yai Hospital, Co., Ltd was stated at equity method up to the date of selling investment.
2. Sale of investments in common shares of Trat Vejchakij Co., Ltd to Watanawej Co., Ltd totaling 5,840,000 shares at Baht 4.80 each. As a result of, the Company recorded loss on sale of investments in the amount of Baht 0.49 million in the statement of income. An investment in common shares of Trat Vejchakij Co., Ltd was stated at equity method up to the date of selling investment.
3. Sale of investments in common shares of Udon Pattana (1994) Co., Ltd to The Medic Pharma Co., Ltd totaling 3,000,000 shares at Baht 10.55 each, As a result of, the Company recorded loss on sale of investments in the amount of Baht 3.65 million in the statement of income.

#### Purchase of investments

On January 28, 2002, the Company entered into an agreement on purchasing shares of Bangkok Phuket Hospital Co., Ltd. with Bangkok Pattaya Hospital Co., Ltd (seller) totaling 39,194,000 shares at Baht 5.36 each, amounting to Baht 210,079,840.

On July 20, 2002, The Company purchased ordinary shares of Bangkok Pattaya Hospital Co., Ltd in the amount of 7,848,754 shares at Baht 15 each, amounting to Baht 117,731,310.

On July 16, 2001, the Company entered into an agreement to purchase ordinary shares of BNH Medical Centre Limited in the amount of 30 million shares, at Baht 10 each, totaling Baht 300 million, and representing 51.18% of shareholding. On the date of the agreement signing, the Company had made advance payment for shares in the amount of Baht 200 million. On June 27, 2002, the Company reduced the number of shares to 28.4 million shares, each of Baht 10, totaling Baht 284 million or the investment ratio of 48.45%. The remaining amount of Baht 84 million was already paid by the Company.

On October 26, 2001 the Company enter into The Share Subscription Agreement with Samitivej Public Company Limited to invest in the newly issued ordinary shares of Samitivej Public Company Limited for the whole unsubscribed portion of rights offering in the amount not exceeding 40 million shares at the price of Baht 8 per share, totally not exceeding Baht 320 millions, At present such company is during registration of the changing of its share capital.

#### Redemption of the debentures

In the second quarter of 2001, the Company had redeemed the debentures held by the associated companies in the amount of Baht 19.15 million. As a result of, the Company recorded gain on redemption of the debentures in the amount of Baht 4.65 million in the statement of income.

#### Receivables from and loans to related companies

Receivables from and loans to related companies as at September 30, 2002 (Unaudited) consists of:

	(Amounts in Thousand Baht)		
	<u>Loans to</u>	<u>Receivable from</u>	<u>Net</u>
<u>Subsidiary Company</u>			
Bangkok Prapradang Hospital Co., Ltd.	<u>-</u>	<u>1,201</u>	<u>1,201</u>
<u>Associated and Other Companies</u>			
Bangkok Pattaya Hospital Co., Ltd.	225,086	44,480	269,566
Bangkok Phuket Hospital Co., Ltd.	473,526	-	473,526
Wattanawej Co., Ltd.	151,515	-	151,515
Bangkok Hat Yai Hospital Co., Ltd.	<u>112,908</u>	<u>-</u>	<u>112,908</u>
Total	<u>963,035</u>	<u>44,480</u>	<u>1,007,515</u>
Total loans to related companies	<u>963,035</u>	<u>45,681</u>	<u>1,008,716</u>

Receivables from and loans to related companies as at December 31, 2001 (Audited) consists of:

	(Amounts in Thousand Baht)		
	<u>Loans to</u>	<u>Receivable from</u>	<u>Net</u>
<u>Subsidiary Company</u>			
Bangkok Prapradang Hospital Co., Ltd.	<u>-</u>	<u>1,201</u>	<u>1,201</u>
<u>Associated Companies</u>			
Bangkok Pattaya Hospital Co., Ltd.	386,116	42,449	428,565
Bangkok Phuket Hospital Co., Ltd.	462,834	-	462,834
Wattanawej Co., Ltd.	151,516	-	151,516
Bangkok Hat Yai Hospital Co., Ltd.	<u>112,908</u>	<u>-</u>	<u>112,908</u>
Total	<u>1,113,374</u>	<u>42,449</u>	<u>1,155,823</u>
Total loans to related companies	<u>1,113,374</u>	<u>43,650</u>	<u>1,157,024</u>

As at September 30, 2002 and December 31, 2001, the Company had loan to subsidiary and associated companies with interest charge at the rate, which the Company has actually paid, plus 0.25-0.50% per annum, MLR+1-2% per annum, MLR-1% per annum, fixed rate of 7% per annum.



As at September 30, 2002 and December 31, 2001, the Company had loan to Bangkok Phuket Hospital Co., Ltd. and Wattanawej Co., Ltd. On April 1, 2001 the Company entered into a memorandum of understanding attached to the loan agreement, regarding debts restructuring with Bangkok Phuket Hospital Co., Ltd. by converting the outstanding principal of U.S. Dollars 10.99 million into Baht currency equivalent to Baht 486.64 million (net of profit sharing for the forward contract of Baht 25.09 million, according to the memorandum of understanding attached to the loan agreement on March 28, 2001) and recorded loss on the forward contract as loan amounting to Baht 20.28 million. Interest is payable, starting from April 1, 2001 to May 31, 2004, at fixed rate of 7% per annum and starting from June 1, 2004 onwards, at the rate of MLR. Principal and interest are payable in 122 monthly installments or a period of 10 years and 2 months starting from the date the Company entered into the memorandum of understanding. The principal repayment condition is as agreed in the agreement.

For the outstanding interest totaling U.S. Dollars 1.07 million, Bangkok Phuket Hospital Co., Ltd had requested to convert such interest into Baht currency equivalent to Baht 53.29 million (including accrued interest from loss on the forward contract totaling Baht 5.40 million). The company shall repay in two (2) installments: within December 2009 and within December 2010. Each installment is equal to Baht 26.65 million and if any outstanding debts remain after the repayment is made in accordance with the above-mentioned period, the company shall repay all in the last installment. Restructuring debts with Bangkok Phuket Hospital Co., Ltd., the Company recognized loss of Baht 26.12 million and presented such loss in the statement of income for year 2001.

Bangkok Phuket Hospital Co., Ltd pledged the lands, building and existing construction in progress as collateral security against such loan of the Company.

As for loan to Wattanawej Co., Ltd, the Company entered into a memorandum of understanding attached to the loan agreement on January 3, 2001, by converting outstanding debt of U.S.Dollars 2.19 million and accrued interest of U.S.Dollars 0.11 million to Baht currency equivalent to Baht 91.51 million (net of profit sharing for the forward contract of Baht 2.78 million according to the memorandum of understanding dated December 29, 2000) and Baht 4.81 million, respectively, with interest payment at the rate of MLR of Thai Military Bank Public Company Limited. Under the agreement, the associated company has to repay these loans to the Company on the repayment periods required by the principal loan agreement.

As at September 30, 2002 and December 31, 2001, the Company has long overdue loans to Bangkok Hat Yai Hospital Co., Ltd. including interest receivable in the amount of Baht 196.29 million and Baht 188.69 million, respectively. As at September 30, 2002 and December 31 2001, the Company provided allowance for doubtful accounts in the amount of Baht 9.58 million. The management believes that the allowance for doubtful accounts will be sufficient on these loans because the Company is under debt restructuring process with these companies and the said company agrees to pledge its lands and building as collateral security against such loan of the Company, which will be registered as a secondary mortgage. At present, the company is requesting approval from the first mortgage creditors.

#### Short-term loans from related parties

Loan from director of subsidiary is redeemable within one year and with interest rate at 8% per annum.

#### Accounts payable and due to related companies

The subsidiary company issued an at call promissory note to a related company with interest rate at 7% per annum.

#### Management Agreement

The Company has entered into the Hospital Managing Employment Agreement with B.N.H. Medical Centre Limited for the period of five (5) years and can be entitled to continue these agreements. The conditions on the remuneration for the 1<sup>st</sup> - 5<sup>th</sup> years are 2.5% - 5% per annum and from the 6<sup>th</sup> year onwards are 8% per annum of gross margins before interest expense, income tax, depreciation, and amortization of deferred expense.

For the remuneration of the 1<sup>st</sup> - 5<sup>th</sup> years, the employer agrees to suspend payment of the said management remuneration to be started from the 6<sup>th</sup> year onwards. The management fee is recognized on cash basis.

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the interim financial statements for the three months and nine month period ended September 30, 2002 has been based on the same accounting policies and calculation methods which are consistent with those used in preparation of the preparation of the financial statements for the year ended December 31, 2001.

### NOTE 4 - TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable as at September 30, 2002 and December 31, 2001 are classified by aging as follows:

(Amounts in Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	September 30, <u>2002</u> (Unaudited)	December 31, <u>2001</u> (Audited)	September 30, <u>2002</u> (Unaudited)	December 31, <u>2001</u> (Audited)
Not over 3 months	94,716	65,854	85,663	59,240
Over 3 months to 6 months	5,007	6,015	4,423	5,641
Over 6 months to 12 months	4,546	10,021	4,238	9,754
Over 12 months	<u>25,734</u>	<u>16,805</u>	<u>24,918</u>	<u>15,912</u>
Total	130,003	98,695	119,242	90,547
<u>Less</u> Allowance for doubtful accounts	<u>(36,681)</u>	<u>(36,681)</u>	<u>(35,653)</u>	<u>(35,653)</u>
Trade Accounts Receivable - net	<u>93,322</u>	<u>62,014</u>	<u>83,589</u>	<u>54,894</u>

### NOTE 5 - INVESTMENTS IN SUBSIDIARY, ASSOCIATED AND RELATED COMPANIES

The Company recorded its investments in subsidiary and associated companies by equity method. The equity in results of operations of associated companies, as presented in the the consolidate statements of income and the separate statements of income of the Company for the each of the nine-month periods ended September 30, 2002 and 2001 included net gain approximately in the amount of Baht 22.23 million and Baht 18.28 million, respectively, which were calculated from the unaudited or unreviewed financial statements of associated companies because the management of associated companies were unable to submit the audited financial statements in time.

Investments in subsidiary, associated and related companies are as follow:

(Amount in Thousand Baht)

Company	Type of Business	Investments									
		Percentage of		Paid-up		Cost		Equity		Dividend	
		Holding		Capital				Method			
		September 30, 2002	December 31, 2001	September 30, 2002	December 31, 2001	September 30, 2002	December 31, 2001	September 30, 2002	December 31, 2001	September 30, 2002	December 31, 2001
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>Subsidiary Companies</u>											
Bangkok Prapradang Hospital Co., Ltd.	Hospital	79.00	79.00	105,000	105,000	96,775	96,775	119,229	113,317	2,074	-
National Healthcare Systems Co., Ltd.	Central Lab	100.00	100.00	12,500	12,500	12,500	12,500	10,541	11,103	-	-
Bio Molecular Laboratories (Thailand) Co., Ltd	Central Lab	100.00	100.00	2,500	2,500	<u>2,500</u>	<u>2,500</u>	<u>2,392</u>	<u>2,409</u>	<u>-</u>	<u>-</u>
Total Investments in subsidiary companies						<u>111,775</u>	<u>111,775</u>	<u>132,162</u>	<u>126,829</u>	<u>2,074</u>	<u>-</u>
<u>Associated Companies</u>											
Bangkok Pattaya Hospital Co., Ltd.	Hospital	49.00	41.94	280,000	140,000	223,489	105,758	308,780	174,367	11,742	11,742
Wattanawej Co., Ltd.	Hospital	48.00	48.00	120,000	120,000	132,480	132,480	164,586	157,332	4,320	1,440
The Medic Pharma Co., Ltd.	Pharmaceutical	49.00	49.00	21,430	21,430	52,500	52,500	63,607	63,024	3,675	3,675
Trat Vejchakij Co., Ltd.	Hospital	38.20	38.20	200,000	200,000	36,672	36,672	34,942	35,552	-	-
Bangkok Phuket Hospital Co., Ltd.	Hospital	49.01	-	400,000	-	210,080	-	204,878	-	-	-
Samitivej Public Co., Ltd.	Hospital	36.79	36.79	1,000,000	1,000,000	294,352	294,352	283,095	294,352	-	-
BNH Medical Center Co., Ltd.	Hospital	48.45	-	586,119	-	<u>284,000</u>	<u>-</u>	<u>267,834</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments in associated companies						<u>1,233,573</u>	<u>621,762</u>	<u>1,327,722</u>	<u>724,627</u>	<u>19,737</u>	<u>16,857</u>
<u>Related Companies</u>											
Udon Pattana (1994) Co., Ltd.	Hospital	10.00	10.00	300,000	300,000	31,650	31,650	-	-	-	-
Bangkok Airways Co., Ltd.	Airline	3.27	3.27	440,000	440,000	36,000	36,000	-	-	-	-
Bangkok Phuket Hospital Co., Ltd.	Hospital	0.0001	0.0001	400,000	400,000	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
						67,650	67,700	-	-	-	-
<u>Less</u> Allowance for impairment of investments						<u>(4,858)</u>	<u>(50)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments in related companies						<u>62,792</u>	<u>67,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments in subsidiary, associated and related companies						<u>1,408,140</u>	<u>801,187</u>	<u>1,459,884</u>	<u>851,456</u>	<u>21,811</u>	<u>16,857</u>

#### NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

During the nine-month periods ended September 30, 2002 and 2001 the Company had conducted a purchase of lands, buildings and equipment in the amount of Baht 217.89 million and Baht 181.14 million for the consolidated financial statement and in the amount of Baht 186.68 million and Baht 179.64 million for the separate financial statements of the Company, respectively.

The Company's lands and building existing constructions in progress (partial) were mortgaged as collateral for long-term loans obtained from a local bank.

#### NOTE 7 - OTHER LONG-TERM DEBTS

Other long-term debts as at September 30, 2002 and December 31, 2001 consisted of:

(Amounts in Thousand Baht)

	<u>Consolidated and The Company Only</u>	
	<u>September 30, 2002</u>	<u>December 31, 2001</u>
	(Unaudited)	(Audited)
Loans from local banks	1,942,493	1,930,139
Loans from foreign banks	144,265	163,526
Hire purchase payable	2,975	2,280
Liabilities under the financial lease contract	47,465	32,585
Asset-purchase payable	<u>7,048</u>	<u>9,697</u>
Total	2,144,246	2,138,227
<u>Less</u> portion due within one year	<u>(93,445)</u>	<u>(57,488)</u>
Net	<u>2,050,801</u>	<u>2,080,739</u>

- Loans from local banks consisted of:

Loan amounting to Baht 22 million is repayable in 60 monthly installments up to October 26, 2003 and bears interest at the rate of MLR+0.5% per annum. This loan is collateralized by the Company's condominium. As at September 30, 2002 and December 31, 2001, the ending balance totaling in Baht 4.61 million and Baht 7.94 million, respectively, includes current portion of long-term debts in the amount of Baht 4.44 million and long-term debts in the amount of Baht 0.17 million and Baht 3.50 million, respectively.

Loan amounting to Baht 82.51 million. Principal repayment shall be made in thirteen (13) semi-annual installments starting on February 1, 2000. Interest is payable quarterly at the rate of MLR - 1% per annum in 2000, MLR - 0.5% per annum in 2001 and MLR per annum from January 1, 2002 onwards. Principal and interest must be fully paid within December 30, 2005. As at September 30, 2002 and December 31, 2001, the above loan was presented under current portion of long-term debts in the amount of Baht 19.60 million and Baht 6.19 million, respectively, and long-term debts in the amount of Baht 49.51 million and Baht 66.01 million, respectively.

Loan with a credit limit of Baht 2,300 million, principal and interest are payable in 108 monthly installments or a period of 9 years. Interest is payable during the 1<sup>st</sup> – 2<sup>nd</sup> year at fixed rate of 2-6% per annum and from the 3<sup>rd</sup> year onwards at the rate of average MLR from four commercial banks, starting on December 2001 and the principal repayment condition is as agreed in the agreement. As at September 30, 2002 and December 31, 2001, the Company presented such loan under long-term debts in the amount of Baht 1,850 million.

The lands and buildings including existing construction in progress of Bangkok Dusit Medical Services Public Co., Ltd., (partial), Bangkok Phuket Hospital Co., Ltd. and Bangkok Prapadang Hospital Co., Ltd. were pledged as collateral security against such loan in the amount of Baht 2,300 million.

Loan amounting to Baht 20 million, principal and interest are payable in 83 monthly installments or a period of 6 years 11 months. Interest is payable during the 1<sup>st</sup> – 2<sup>nd</sup> year at fixed rate of 6% per annum and from the 3<sup>rd</sup> year onwards at the rate of MLR, starting in April 2002 and the principal repayment condition is as agreed in the agreement. As at September 30, 2002, the Company presented such loan under current portion of long-term debt in the amount of Baht 2.58 million and long-term debt in the amount of Baht 16.20 million, respectively.

The lands and buildings including existing construction in progress of the Company (partial) were pledged as collateral security against such loan in the amount of Baht 20 million.

- Loans from foreign banks:

On April 24, 2001 the Company entered into the foreign loan agreement in the amount of U.S. Dollars 12.45 million. This agreement bears interest at the rate of 1.5% per annum above the Singapore Interbank Offered Rate (SIBOR). Principal is payable every 12 months in 5 installments and interest is payable every 3 months. The amount of repayment is according to the repayment amount as agreed in the agreement. The first installment started in April 2001, amounting to U.S. Dollars 8.76 million.

As at September 30, 2002 and December 31, 2001, the Company presented such loans under current portion of long-term debts in the amount of Bath 42.75 million and Baht 27.25 million, respectively and long-term debt in the amount of Baht 101.52 million and Baht 136.37 million, respectively.

- Hire-purchase payable:

Hire-purchase payable includes hire-purchase contracts for vehicle with payment by 48 monthly installments and 24 monthly installments, each of Baht 313,694. As at September 30, 2002 and December 31, 2001, the Company presented this hire purchase payable in current portion of long-term debts in the amount of Baht 1.47 million and Baht 1.23 million, respectively, and long-term debt in the amount of Baht 1.50 million and Baht 1.05 million, respectively.

- Liability under the financial leases contract:

During the period 2002, the Company had liability under the financial lease contract with a company providing medical equipment for use in business operation. The liability is repayable in 60 monthly installments, each of Baht 480,002. At the end of lease term, the Company has the right to exercise the bargain purchase option on leased medical equipment in the amount shown in the agreement. As at September 30, 2002, the Company presented these liabilities under the financial lease contract in current portion of long-term debts in the amount of Baht 5.76 million and long-term debt in the amount of Baht 19.73 million, respectively.

During the year 2001 and 2000, the Company had liability under the financial lease contracts with 2 companies providing medical tools and equipment for use in business operations. The liability is repayable in 12 quarterly installments, totaling 48 monthly installments, each of Baht 1,701,823 and Baht 600,211 respectively, commencing on August 1, 2000 and December 25, 2000. At the end of lease term, the Company has the right to exercise the bargain purchase option on medical tools and equipment in the amount shown in the agreement. As at September 30, 2002 and December 31, 2001, the Company presented these liabilities under the financial lease contract in current portion of long-term debts in the amount of Baht 12.41 million and Baht 14.01 million, respectively and long-term debts in the amount of Baht 9.56 million and Baht 18.58 million, respectively.

- Asset-purchase payable:

The Company entered into a medical tool purchase and sale contract with a company. The value, according to the contract is equivalent to Baht 12 million. Debt repayment conditions are as follows.

1<sup>st</sup> Portion Repayment of 10% of the contractual value, totaling Baht 1.2 million

2<sup>nd</sup> Portion Repayment of the remaining 90% of the contractual value in 36 monthly installments with the interest rate of 6% per annum, starting from June 2001.

As at September 30, 2002 and December 31, 2001, the Company presented these asset-purchase payables in current portion of long-term debts in the amount of Baht 4.19 million and Baht 4.37 million, respectively, and long-term debts in the amount of Baht 2.46 million and Baht 5.33 million, respectively.

During the period 2002, the Company entered into an office equipment purchase and sale contract with a company. The value, according to the contract is equivalent to Baht 0.53 million. Debt repayment conditions are as follows.

1<sup>st</sup> Portion Repayment on contract date, totaling Baht 0.05 million

2<sup>nd</sup> Portion Repayment of the remaining in 24 monthly installments each of Baht 20,085.73 starting from June 2002.

As at September 30, 2002, the Company presented these asset-purchase payables in current portion of long-term debts in the amount of Baht 0.24 million and long-term debts in the amount of Baht 0.16 million, respectively.

#### NOTE 8 - FORWARD CONTRACTS

The Company entered into forward purchase and sale contracts with certain local banks for risk hedging gain-loss on exchange rate, to U.S. Dollars 30 million. In the second quarter of 2002, the Company has terminated the purchase and sale forward contracts. As a result of, the Company incurred net loss on exchange rates for the period 2002 amounting to approximately Baht 2.67 million. For year 2001 the Company allocated the net gains on exchange to the related company in the proportion of accrued loans amounting to Baht 25.09 million according to the memorandum of understanding dated March 28, 2001, (see note 2) of which outstanding forward contracts still remained was presented in the statement of income.

As at December 31, 2001, the net gain portion receivable from the local banks for the outstanding forward contracts was presented in the balance sheets.

#### NOTE 9 - CHANGE IN THE METHOD OF INVENTORY PRICING

On February 1, 2001, the Company was given approval by the Revenue Department to change its accounting policy for the revaluation method of cost of inventories from first-in, first-out method to weighted average method, starting from the accounting period from January 1, 2001 to December 31, 2001 onwards. The Company changed its accounting policy for the revaluation method to be in accordance with the newly adopted accounting program. Such change of accounting policy had no material effect on the financial statements.

#### NOTE 10 - CAPITAL INCREASE

The Extraordinary General Meeting of Shareholders held on September 24, 2001, approved for the Company to increase authorized shares of Baht 356.25 million to Baht 500 million by issuing common shares in the amount of 14.375 million shares at the price of Baht 20 per share for offering to the existing shareholders in the proportion of 5 shares: 2 newly issued shares. The Company registered the increase of its share capital on November 6, 2001.

The General Meeting of Shareholders held on April 25, 2002, approved for the Company to increase authorized shares of Baht 500 million to Baht 750 million by issuing common shares in the amount of 25 million shares at the price of Baht 24 per share for offering to the existing shareholders in the proportion of 2 shares: 1 newly issued shares. The Company registered the increase of its share capital on June 14, 2002.

#### NOTE 11 - DIVIDEND PAYMENT

The General Meeting of Shareholders held on April 25, 2002, approved the dividend payment for 50 million shares, at the rate of Baht 2 per share, in the totalling of Baht 100 million.

The Extraordinary General Meeting of Shareholders held on September 26, 2001 approved the interim dividend payment from operating profits of the Company for the six-month period from January 1, 2001 to June 30, 2001, at the rate of Baht 1 per share amounting Baht 35.625 millions.

In the second quarter of year 2002, the Company wrote off dividend payable that was long outstanding without receivers as other incomes in the amount of Baht 8.46 million in the statement of income.

#### NOTE 12 - LONG-TERM LEASE AGREEMENT

The Company has entered into rental land agreement, which covers a period of 10 years. The Company is obligated to pay the monthly rental expense in the amount of Baht 115,000 for the period from September 1, 2002 to August 31, 2006 and Baht 150,000 for the period from September 1, 2006 to August 31, 2011 and has payment deposit in the amount of Baht 115,000.

The subsidiary company has entered into rental agreement with a company, which covers a period of 3 years, starting from February 15, 2002 to January 31, 2005. The Company is obligated to pay the monthly rental expense (which includes service and central service fee) in the amount of Baht 79,793.03 and has payment deposit in the amount of Baht 338,099.46.

The subsidiary company has entered into rental agreement with a company, which covers a period of 2.5 years, starting from October 1, 2002 to March 31, 2005. The Company is obligated to pay the monthly rental expense (which includes service and central service fee) in the amount of Baht 46,179.09 and has payment deposit in the amount of Baht 137,857.82.

#### NOTE 13 - LEGAL RESERVE

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorized capital.

#### NOTE 14 - COMMITMENT AND CONTINGENT LIABILITIES

As at September 30, 2002 commitment and contingent liabilities are as follows:

- The Company has commitments to pay the service charges to a company as the computation rate as stipulated in the agreement for using the medical equipment
- The Company has commitments to pay for building construction contract in the amount of Baht 1.86 million for the Company and Baht 0.89 million for subsidiary company.
- Contingent liabilities for letters of guarantee issued by bank to certain government organizations amounting to approximately Baht 4.76 million for the Company and Baht 3.33 million for subsidiary company.
- The Company has commitments to pay in the amount of Baht 2.73 million under the equipment rental agreement.
- The company has commitments to pay the management fees to 3 companies in the amount of Baht 0.25 million per month.
- The Subsidiary company has commitments to pay for ambulances purchase in the amount of Baht 24.21 million.

#### NOTE 15 - SEGMENT INFORMATION

Bangkok Dusit Medical Services Public Company Limited and subsidiaries operate mainly within the hospital business and are not required to disclose further segment information.



#### NOTE 16 – SUBSEQUENT EVENTS

The Board of Director Meeting held on October 19, 2002 approved to sale of investment in common shares of National Healthcare Systems Co., Ltd to Bangkok Pattaya Hospital Co., Ltd totaling 4,999,993 shares at Baht 2.50 each, amounting to Baht 12,499,982.50.